

REQUEST FOR COUNCIL ACTION

MEETING

DATE:

9/15/03

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AGENDA SECTION: CONSENT AGENDA	ORIGINATING DEPT: Public Works	ITEM NO. D-15
ITEM DESCRIPTION: Escrow Agreements: Sanitary Sewer and Watermain to Serve Rose Haven, J9750 and to Serve Southport, J9792		PREPARED BY: J. Loehr

The City previously entered into contractual Agreements with S.J. Louis Construction, Inc. for the following local improvement projects:

Project No. M1-06, J9750

"Sanitary Sewer and Watermain Extension to Serve the Rose Haven Subdivision Area."

Project No. M1-36, J9792

"Sanitary Sewer and Watermain Extension to Serve the Southport Subdivision Area."

Pursuant to the Agreements the City may reserve an amount equal to two and one half percent (2.5%) (referred to as retained amounts) of the payments due SJ Louis under the terms of the Agreement.

SJ Louis has requested that they desire to have the retained amounts placed in an Escrow Account. S.J. Louis Construction, Inc. will deposit funds equal to the year-to-date retainage into the Escrow Account. The escrow agent will notify the City of the deposit. The City will then reimburse S.J. Louis for the Escrow payment.

The escrow agent will not release the funds in the Escrow Accounts to S.J. Louis until the City advises the escrow agent that the projects are completed and the retained amounts can be released.

The request by the contractor to place the retainage in an Escrow Account is covered in the Minnesota Statute 15.73 Alternate form of retainage Subdivision 1 Contractor's Option. This section of the Statutes provides for the retainage, at the contractor's request, to be placed in an Escrow Account rather than the retained amounts to be held by the City.

Escrow Agreements are prepared and are signed by S.J. Louis Construction, Inc.

COUNCIL ACTION REQUESTED:

1. Authorize the Mayor and City Clerk to execute two Escrow Agreements for projects J9750 and J9792.

Attachment: Escrow Agreements

COUNCIL ACTION: Motion by: _____ Second by: _____ to: _____

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